

REMARKS

Claims 1-15 and 26-30 are pending. Claims 1-7 and 9-15 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,546,523 to Gatto in view of U.S. Patent No. 6,028,950 to Merjanian. Claims 8 and 26-30 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,546,523 to Gatto in view of U.S. Patent No. 6,028,950 to Merjanian and U.S. Patent No. 5,485,510 to Colbert.

Reconsideration is requested. No new matter is added. Claims 1 and 29 are amended. The rejections are traversed. Claims 1-15 and 26-30 remain in the case for consideration.

REJECTION OF CLAIMS UNDER 35 U.S.C. § 103(a)

The Examiner rejected claims 1-7 and 9-15 under 35 U.S.C. § 103(a). In the Office Action dated October 22, 2002, the Examiner indicated specific limitations from the claims that the Examiner thought were taught by the cited references. The limitations identified by the Examiner are drawn only from claims 1, 4, and 7. As the Examiner did not specifically explain why claims 2-3, 5-6, and 8-15 should be rejected, the Applicant believes these claims should be independently allowable.

Referring to claim 1, the invention is directed toward a method for tokenless authorization of an electronic payment. The payor registers with a third party identifier a biometric sample and a financial account identifier. A bid biometric sample is collected from the payor. The bid biometric sample is forwarded to the third party identifier. The third party identifier compares the bid biometric sample with registered biometric samples to either successfully or unsuccessfully identify the payor. If the payor is successfully identified, the third party identifier forwards the financial account identifier to the payee. An electronic transaction is formed between the payor and the payee, and forwarded to a financial institution for authorization. Once authorized, funds are transferred from the payor's financial account to the payee. Claim 29 is similar to claim 1, further including steps of payee registration and payee identification.

In contrast, Gatto teaches an electronic fund transfer system. To simplify use by customers, Gatto allows the customer to define custom transactions. Using custom transactions, customers are not limited to the predefined transactions offered by electronic fund transfer systems. For example, as stated in column 1, lines 30-36, ATMs permit users to automatically select amounts of cash for withdrawal, but the choices are limited and constant for all users. Instead of limiting users to these choices, Gatto allows the customers to define

their own transactions (such as withdrawing \$25 instead of other fixed amounts: see column 4, lines 62-64).

Colbert teaches a secure credit/debit card authorization system. When a customer wants to purchase something from a vendor, rather than giving out a card number, the customer provides an authorization number. The authorization number is provided by the company that issued the customer's card, is specific to the transaction between the customer and the vendor, and may be limited in amount or time. The vendor can use the authorization number once to make the sale, after which the authorization number is no longer valid.

Merjanian teaches a fingerprint controlled set-top box. The user uses a fingerprint to engage in transactions. The user's fingerprint is scanned by the set-top box and compared with a previously known fingerprint sample. If the scanned fingerprint matches the sample, then the user's account is billed for purchases made.

As the Examiner has relied primarily on Gatto in rejecting the claims, Gatto is considered the primary reference, and Colbert and Merjanian are considered only to the extent the Examiner has applied the references. Colbert and Merjanian do not teach any of the other limitations of the claims.

In his response to the arguments presented in the Response to the Office Action dated October 22, 2002, the Examiner indicated that he thinks Gatto teaches forwarding the payor financial account to the payee. The Examiner's rationale for this position is that Gatto discloses using the invention with point-of-sale terminals. But the mere fact that the invention of Gatto can be used with a point-of-sale terminal does not mean that the payor financial account is forwarded to the point-of-sale terminal. In fact, nowhere does Gatto teach or suggest that the payor financial account is forwarded to the payee or the point-of-sale terminal.

The reason Gatto does not disclose forwarding the payor financial account to the point-of-sale terminal is that Gatto does not need to do so. Gatto already has access to the financial network, and processes the transaction directly. Thus, the fact that claim 1 describes the method as forwarding the payor financial account to the payee and having the payee forward the payor financial account to the financial transaction provider distinguishes claim 1 over Gatto.

The Examiner also misunderstood the Applicant's argument regarding forwarding the financial transaction to a financial transaction processor. The Applicant did not assert that none of the references taught forwarding the financial transaction to a financial transaction processor. The Applicant agrees that without the financial transaction processor receiving

something, it is difficult for a payor and a payee to perform a transaction. Instead, the Applicant was arguing that the fact that the *payee* forwards the payor financial account, information received from a payment authorization device, to the financial transaction processor is not taught by Gatto, Colbert, or Merjanian.

Gatto teaches a financial network modified to allow for custom transactions. Note the title of Gatto: "Electronic Fund Transfer System." The system of Gatto clearly is meant to be capable of transferring funds on its own. Transmitting the payor financial account to the payee to have the payee send this information back is unnecessary and pointless: Gatto can transfer the funds immediately, once the user has been identified and the transaction selected.

Colbert teaches an authorization code that the user can provide to the vendor. The authorization code identifies the user and the transaction, but does not specifically include the payor financial account. Thus, Colbert cannot teach the payee receiving, let alone forwarding, a payor financial account to the financial transaction processor.

Merjanian teaches a fingerprint controlled set-top box. In the context of a retail point-of-sale environment (column 10, lines 1-63), the operation has the user selecting an account (e.g., a credit card) and providing a biometric. The biometric is compared to that associated with the user (either stored on a smart card or remotely from the point-of-sale). If the comparison succeeds, then the user's account is billed. Merjanian does not explain how the billing is done, and transmitting a payor financial account is part of billing. Thus, Merjanian cannot teach the payee forwarding the payor financial account to the financial transaction processor.

The Examiner is asked to notice that in none of Gatto, Colbert, and Merjanian is the payor financial account received from a computer data processing center. In Gatto, the user selects the financial account to debit: but because Gatto includes a financial transaction network, Gatto does not need the payor financial account to be returned to the payee to complete processing. In Colbert, the payor financial account is masked by the authorization code: the party providing the authorization code knows which user's account to debit based on the authorization code, but there is no relationship between the user's financial account and the authorization code. And Merjanian does not describe anywhere that the merchant receives the payor financial account: the details of how billing is performed are beyond the scope of Merjanian. Accordingly, none of Gatto, Colbert, and Merjanian teach the payee forwarding the payor financial account to the financial transaction processor, and claim 1 is allowable over Gatto, Colbert, and Merjanian.

Referring to claim 26, the Examiner misunderstood the Applicant's argument regarding payee registration. The Applicant agrees that Colbert teaches payee registration. The Applicant's argument was that payee registration made no sense in the context of Gatto, and therefore there was no motivation to combine Gatto and Colbert. As argued in the Response to the Office Action dated December 27, 2002, nowhere does Gatto mention verifying the payee's identity. Gatto assumes that the payee is the party whose account is to be credited. In contrast, the invention uses payee identification data to do just that: to identify the payee. The comparator engine determines the payee's identity by comparing the payee identification data against registered payee identification data. This comparison helps to guard against the possibility that the party whose account would be credited is not the payee.

The Examiner is asked to notice that, even though Colbert teaches payee registration, the vendor identification included in the authorization code is not used to identify the payee. Indeed, Colbert gives no reason for including the vendor identification in the authorization code. One possible reason is to protect the vendor: the user might have given the wrong vendor to the card company, and so the vendor identification in the authorization code might not be the vendor that later supplies the code to the card company. But Colbert clearly does *not* teach using a vendor identification to identify the vendor from a list of registered vendors.

For the foregoing reasons, reconsideration and allowance of claims 1-15 and 26-30 of the application as amended is solicited. The Examiner is encouraged to telephone the undersigned at (503) 222-3613 if it appears that an interview would be helpful in advancing the case.

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